

**STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769**

EXAMINATION REPORT
OF
CLEAR LAKE TOWNSHIP
STEUBEN COUNTY, INDIANA
January 1, 2006 to December 31, 2007



FILED
02/11/2009

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Sandra L. Foley	02-15-03 to 12-31-10
Chairman of the Township Board	William A. Winebrenner Richard Swander	01-01-06 to 12-31-06 01-01-07 to 12-31-08



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF CLEAR LAKE TOWNSHIP, STEUBEN COUNTY, INDIANA

We have examined the financial information presented herein of Clear Lake Township (Township), for the period of January 1, 2006 to December 31, 2007. The Township's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the Township for the years ended December 31, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Long-Term Debt, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

January 16, 2009

CLEAR LAKE TOWNSHIP, STEUBEN COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Years Ended December 31, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ 7,198	\$ 21,869	\$ 22,796	\$ 6,271
Dog	359	46	82	323
Township Assistance	11,341	-	1,032	10,309
Firefighting	1,395	19,303	17,587	3,111
Levy Excess	-	451	-	451
Totals	<u>\$ 20,293</u>	<u>\$ 41,669</u>	<u>\$ 41,497</u>	<u>\$ 20,465</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 6,271	\$ 24,476	\$ 23,654	\$ 7,093
Dog	323	-	323	-
Township Assistance	10,309	1,710	1,536	10,483
Firefighting	3,111	10,312	4,832	8,591
Levy Excess	451	-	-	451
Fire Debt	-	14,096	14,062	34
Totals	<u>\$ 20,465</u>	<u>\$ 50,594</u>	<u>\$ 44,407</u>	<u>\$ 26,652</u>

The accompanying notes are an integral part of the financial information.

CLEAR LAKE TOWNSHIP, STEUBEN COUNTY
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Township was established under the laws of the State of Indiana. The Township provides the following services: public safety, health and social services, and general administrative services.

Note 2. Fund Accounting

The Township uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Township in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively.

Note 5. Deposits and Investments

Deposits, made in accordance with IC 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the Township to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

CLEAR LAKE TOWNSHIP, STEUBEN COUNTY
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT
December 31, 2007

The Township has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Emergency Fire Loan	\$ 6,000	\$ 6,390

CLEAR LAKE TOWNSHIP, STEUBEN COUNTY
EXAMINATION RESULT AND COMMENT

CONDITION OF RECORDS

The following deficiencies relating to the recordkeeping were noted.

1. Record balances were not reconciled to depository balances.

IC 5-13-6-1(e) states in part: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

2. There were a number of posting errors. The errors included deposits not posted, interest not posted, and a check that was posted twice.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

CLEAR LAKE TOWNSHIP, STEUBEN COUNTY
EXIT CONFERENCE

The contents of this report were discussed on January 16, 2009, with Sandra L. Foley, Trustee.
The official concurred with our finding.